## REMARKS

In response to the outstanding Office Action, Applicant submits herewith a substitute specification and redlined version of the substitute specification. In this connection, it should be noted that the substitute specification and amended claims submitted herewith correspond to the Article 34 amendments made in the International Application of which the subject application is a national phase application and, therefore, no new matter is added therein. The Amended Sheets containing the Article 34 amendments were submitted at the time of entering the national phase. However, it appears that the original International Application was examined, rather than the Article 34 amendments that were presented. Accordingly, entry of the substitute specification and amended claims is requested.

The Examiner has objected to specification, noting that the abstract of the disclosure exceeds 150 words in length. In response, Applicant submits herein a new Abstract containing fewer than 150 words. Accordingly, withdrawal of the objection to the specification is respectfully requested.

The Examiner objects to claims 4-6 as being in improper from because a multiple dependent claim cannot depend upon another multiple dependent claim. As discussed above, it appears the Examiner was considering the claims as originally filed in the corresponding PCT application. In the Article 34 amendments, original claim 4 was deleted and claims 5-7 were renumbered as claims 4-6. In the amended claims, claim 4 is cancelled and claim 5 is amended to remove its multiple dependency and place the claims in compliance with 37 CFR 1.75(c). Accordingly, withdrawal of the objection to claims 4-6 is respectfully requested.

Claims 1, 3 and 7 are rejected under 35 U.S.C. §102(b) as being anticipated by GB 596,307 to Grylls (Grylls). Independent claim 1 was amended in the PCT application to include the feature of a second clutch for selectively disengaging the lay shaft from the first gear train to enable reverse drive to be transmitted from the input shaft to the output shaft by the first clutch. Claim 1 is amended to conform to the Article 34 amendment. This feature is not disclosed or taught in any of the cited references. In the IPER based on the Article 34 amendments which

relied on the same set of references cited by the Examiner, the claims, as amended, were deemed novel and not obvious over the cited prior art references.

In Grylls, as freewheel clutch 16 is arranged to provide engine braking from output shaft 6 to input shaft 1, the freewheel clutch 16 will also necessarily transmit reverse drive from the input shaft 1 to the output shaft 6. Additionally, freewheel clutch 10 interposed between the lay shaft 9 and its gear wheel 8 is arranged so as to transmit forward drive from the gear wheel 8 to the lay shaft 9. Accordingly, if input shaft 1 were to be driven in reverse (which, in any case, is not discussed or suggested in Grylls), reverse drive would be transmitted via freewheel clutch 16 to gear wheel 12 and thus to second gear wheel 11 and lay shaft 9. By virtue of the relative sizes of the gears shown in the drawing, lay shaft 9 would be rotating in a reverse direction at a greater angular velocity than gear wheel 8. These relative velocities on either side of the freewheel clutch 10 would cause engagement of the freewheel clutch 10, which would, in turn, prevent reverse drive of the output shaft 6 owing to the different ratios of the two gears both being engaged simultaneously. Accordingly, Applicants submit that independent claim 1, as now amended, is clearly distinguishable from the cited references.

Claim 3, based on its dependency from independent claim 1, is also distinguishable over the prior art of record for at least the reasons stated above with respect to claim 1. Independent claim 7 contains similar amendments to those made to claim 1 in the PCT application. An argument analogous to the one above for claim 1 applies to claim 7 as well.

Accordingly, Applicants respectfully request withdrawal of the \$102(b) rejection of claims 1,3 and 7 over Grylls.

Claims 1, 3 and 7 are further rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent No. 4,323,354 to Blanchard (Blanchard '354). Applicants submit that Blanchard '354 does not disclose or suggest a second clutch for selectively disengaging the lay shaft from the first gear train to enable reverse drive to be transmitted from the input shaft to the output shaft by the first clutch, as required by independent claims 1 and 7 Accordingly, Applicants respectfully request withdrawal of the §102(b) rejection of claims 1, 3 and 7 over Blanchard '354.

Claim 2 has been rejected under 35 U.S.C. §103(a) as being unpatentable over Grylls as applied to claim 1 above, and further in view of U.S. Patent No. 3,095,757 to Thoma (Thoma). Claim 2, based on its dependency from independent claim 1, is distinguishable over Grylls for at least the reasons stated above with respect to claim 1. Applicants submit that, as neither Grylles nor Thoma teach or suggest a second clutch for selectively disengaging the lay shaft from the first gear train to enable reverse drive to be transmitted from the input shaft to the output shaft by the first clutch, claim 2 is patentable over the combination of the cited references. Accordingly, Applicants respectfully request withdrawal of the §103(a) rejection of claim 2.

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In view of the foregoing, Applicant submits that all outstanding requirements have been complied with, and the subject application is now in condition for allowance, which early action is requested. If there are any additional fees due in connection with the filing of this response, please charge those fees to our Deposit Account No. 02-2666. Questions regarding this matter should be directed to the undersigned at (310) 207-3800.

## PETITION FOR EXTENSION OF TIME

Per 37 C.F.R. 1.136(a) and in connection with the Office Action mailed on MAY 22, 2009, Applicant respectfully petitions the Commissioner for a two (2) month extension of time, extending the period for response to OCTOBER 22, 2009. The petition filing fee for a 37 C.F.R. 1.17(a)(2) large entity will be charged to our Deposit Account No. 02-2666.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Dated: 10/Mg

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CERTIFICATE OF TRANSMISSION

I hereby certify that this correspondence is being submitted electronically via EFS Web of the data's bown below to the United States Patent and Trademark Office.

Suzanno Johnston Date